

Message Text

CONFIDENTIAL

PAGE 01 STATE 142925

63

ORIGIN AF-18

INFO OCT-01 ISO-00 PM-07 CIAE-00 INR-10 NSAE-00 RSC-01

DODE-00 IGA-02 AID-20 EB-11 COME-00 MC-02 OMB-01

TRSE-00 /073 R

DRAFTED BY OASD/ISA:LTC SIGLER/AF/W:HWALKER:PCS

APPROVED BY AF/W:JLOUGHRAN

PM/SAS:RSMITH

AF/RA:LTCOL COYKENDALL

AF/RA:LTCOL COYKENDALL

----- 113366

P 022017Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS PRIORITY

C O N F I D E N T I A L STATE 142925

E.O. 11652:GDS

TAGS: MASS US NI

SUBJECT: SALE OF C-130H AIRCRAFT

REFERENCES: (A) STATE 137823; (B) LAGOS 5338; (C) LAGOS

4630; (D) STATE 126460; (E) STATE 127651

1. DEPT AND DOD HAVE REVIEWED C-130 PROBLEM FURTHER AND OFFER FOLLOWING INFO FOR YOUR USE. LETTERS OF OFFER POUCHED 27 JUNE (REPORTED REFTTEL A) HAVE BEEN COMPARED BY DOD WITH RECENT LETTERS OF OFFER PROFFERED TO OTHER COUNTRIES INCLUDING BOLIVIA, SAUDI ARABIA. LO TO FMG QUOTES UNIT FLYAWAY PRICE OF DOLS 6.374 MILLION. PRICES ON OTHER LETTERS RANGE FROM DOLS 6.148 TO DOLS 6.433 MILLION. IN GENERAL, VARIANCE IS DUE TO SLIGHT DIFFERENCES IN AIRCRAFT CONFIGURATION. OTHER LETTERS OFFER DELIVERY BETWEEN MAR AND DEC 1977. PROMISED DELIVERY TO FMG JAN THROUGH JUNE 1977 IS ENTIRELY CONSISTENT WITH USG TRANSACTIONS WITH OTHER COUNTRIES.

2. FOLLOWING INFORMATION IS OFFERED AS EXPLANATION FOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 142925

DIFFERENCE IN DELIVERY TIMES QUOTED BY USG AND LOCKHEED;

(A) BECAUSE OF OBLIGATION TO PROVIDE CONTINUING SUPPORT AFTER SALE, DOD REQUIRES UNIFORMITY WITHIN THE TOTAL SUPPORTED INVENTORY COMPRISED OF U.S. MILITARY, OTHER USG MAP AND FMS PLANES. TO ACHIEVE THIS UNIFORMITY USG FURNISHES ENGINES, AVIONICS, AND SOME OTHER COMPONENTS

DESIGNED TO USG SPECIFICATIONS. THESE ITEMS ARE PROCURED BY USG CONTRACTS WITH COMPANIES OTHER THAN LOCKHEED AND ARE DELIVERED TO LOCKHEED AT APPROPRIATE TIME IN ASSEMBLY SCHEDULE. USG DELIVERY IS THUS CONSTRAINED BY SCHEDULES OF BOTH LOCKHEED AND OTHER SUPPLIERS. (B) USG MAY CONTRACT EITHER ANNUAL OR SELECTIVELY REQUESTED SUPPLEMENTAL APPROPRIATIONS ONLY AFTER, REPEAT, AFTER CONGRESS HAS APPROPRIATED FUNDS. FOREIGN MILITARY SALES ACT PROHIBITS PURCHASE IN ANTICIPATION OF SALE. THIS APPLIES BOTH TO LOCKHEED AIRFRAME AND TO GOVERNMENT FURNISHED EQUIPMENT (GFE). NO ACTION CAN BE TAKEN BY USG PRIOR TO ACCEPTANCE OF LETTER OF OFFER, AFTER WHICH A 4-6 MONTH CONTRACT DEFINITION PERIOD MUST PRECEDE ACTUAL PRODUCTION PERIOD, CURRENTLY ABOUT 19 MONTHS. (C) APPARENT DELIVERY PERIOD OF 23-25 MONTHS IS DEPENDENT ON AVAILABILITY OF SPACE ON LOCKHEED PRODUCTION LINE. CURRENT LOCKHEED SCHEDULE REFLECTS FIRST PRODUCTION SPACE AVAILABLE TO USG WOULD RESULT IN DELIVERY DURING FIRST QUARTER CY 77. (D) LOCKHEED CAN AND DOES BUILD IN ANTICIPATION OF SALE, CONTRACTING WITH ITS SUPPLIERS FOR COMMERCIAL VERSION OF EQUIPMENT SUPPLIED BY USG FOR FMS PURCHASES, THUS ENABLING LOCKHEED TO OFFER A SHORTER DELIVERY TIME. (E) USG PURCHASE OF LOCKHEED'S "COMMERCIAL" AIRCRAFT FOR RESALE WOULD REQUIRE PRIOR CONGRESSIONAL APPROVAL/FUNDING AND WOULD BE SUBJECT TO LOCKHEED'S RIGHT OF REFUSAL TO SELL TO USG PERCEIVED AS MARKETING COMPETITOR. NEW CONTRACT SEQUENCE WOULD CONSUME ALL APPARENT TIME SAVING. CONSIDERING ALL FACTORS, THIS OPTION IS NOT, REPEAT, NOT FEASIBLE.

3. IN EVENT FMG REJECTS USG LETTERS OF OFFER AS WELL AS LOCKHEED COMMERCIAL OFFER, DOD WILLING TO EXPLORE OTHER ALTERNATIVES IN EFFORT TO ASSURE U.S. AIRCRAFT IN FMG INVENTORY. SISCO
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 142925

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY AIRCRAFT, MILITARY ASSISTANCE, COMMERCIAL AIRCRAFT, MILITARY SALES, C-130
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE142925
Document Source: CORE
Document Unique ID: 00
Drafter: LTC SIGLER/AFW:HWALKER:PCS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740175-0859
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740780/aaaacqjr.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: (A) STATE 137823; (B) LAGOS 5338; (C,) LAGOS
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 03 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 SEP 2002 by boyleja>; APPROVED <19 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SALE OF C-130H AIRCRAFT
TAGS: MASS, US, NI, LOCKHEED
To: LAGOS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005